

## Solid Waste Funding Workgroup March 9, 2012, Meeting Notes

The meeting was held from 9:00 a.m. to Noon in the Con Con Conference Room, Atrium South, Constitution Hall, Lansing, Michigan.

The workgroup was welcomed. The members introduced themselves and identified which organization they are representing.

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| Geoffrey Donaldson                            | St. Clair County representing Michigan Association of Counties   |
| Sandy Rosen                                   | Michigan Recycling Coalition   |
| Michael Csapo                                 | RRRASOC representing waste authorities   |
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| Gary Dawson                                   | Consumers Energy Company representing Type III landfill interests  |
| Patty O'Donnell                               | Northwest Michigan Council of Governments representing the Michigan Association of Regions (Phone)                                 |
| Tonia Olson                                   | Representing Michigan Waste Industries Association   |
| Tom Frazier                                   | Michigan Townships Association   |
| Randall Slikkers                              | Goodwill Association of America representing reuse stores  |
| Bill Allen                                    | Kent County Department of Public Works representing Waste to Energy facilities and County Public Works Departments (for Doug Wood) |
| Liz Browne                                    | Department of Environmental Quality, Resource Management Division  |
| Steve Sliver                                  | Department of Environmental Quality, Resource Management Division  |
| Matt Flechter                                 | Department of Environmental Quality, Resource Management Division  |
| Also invited but unable to be present were... |  |
| Bill Lobenherz                                | Michigan Soft Drink Association representing the Michigan Recycling Partnership  |
| Roger Simon                                   | Louis Padnos Iron & Metal Company representing Institute of Scrap Recycling Industries   |
| Jason Geer                                    | Michigan Chamber of Commerce   |
| Roger Simon                                   | Louis Padnos Iron & Metal Company representing Institute of Scrap Recycling Industries   |
| William Hinz                                  | Allegan County Health Department representing Health Departments (MALPH)   |
| Andy Such                                     | Michigan Manufacturers Association representing MMA  |
| James Clift                                   | Michigan Environmental Council   |
| Jason Mancini                                 | Michigan Municipal League representing MML   |

The notes for the February 17, 2012, meeting were distributed. If there are not any changes or revisions **the DRAFT label will be removed from the notes when they are placed on the Web located at [http://www.michigan.gov/deq/0,4561,7-135-3312\\_4123-261534--,00.html](http://www.michigan.gov/deq/0,4561,7-135-3312_4123-261534--,00.html).**

Tonia Olson shared some information from the Inspection sub-committee. She discussed the handout and identified states that have attempted some sort of landfill inspection contracting. The sub-committee will have a recommendation for evaluation at the next meeting.

At the February Solid Waste Funding Workgroup (SWFW) meeting the SWFW asked DEQ to DRAFT a proposal that funds the Solid Waste Program with a modified solid waste surcharge for the near term. A spreadsheet was discussed.

The full-time equivalent (FTE) cost was increased from \$155,000 per year from \$145,000 per year because of recent estimates from the budget office. Time was spent discussing that number. It was agreed that the final report should explain why that number was used.

The total number of DEQ, Solid Waste Program staff necessary to implement the Solid Waste Policy (excluding e-waste, biosolids, tires, and other related program staff) was agreed upon to be 47.3 FTEs. The Solid Waste Program FTEs would be spread among the field and Lansing central and it will not enable the DEQ to return to the level of staff previously in the program when there was a geologist, engineer, and environmental quality analyst in each district. This staffing level reflects an overall reduction in the level of effort associated with the "core" Solid Waste Program, whereas some activities will be increased relative to waste utilization and recycling. We have discussed those changes in previous meetings and they will be reflected in the report. The 47.3 FTE is a slight increase from previous staffing levels recommended by the workgroup to account for the request by stakeholders to re-evaluate what appeared to be a lack of field staff responsible for core program activities.

The total cost for the recommended 47.3 FTEs at \$155,000 per year including the additional training and sampling costs recommended at previous SWFW meetings is \$7.45 million.

The DRAFT funding scenarios showed various ways to collect the \$7.45 million. The workgroup recommended using a 2 percent rate of inflation. The solid waste disposed in Type II landfills and Type III non-captive landfills is expected to continue to decrease at a rate of about 5 percent per year. It is expected that Type III captive waste amounts disposed will remain steady. It is estimated that about 1 million tons of waste is currently utilized at MRFs and composting facilities (registered sites). That amount is expected to increase at 5 percent per year. The surcharge was spread out over 6 years. **The stakeholders requested a graduated scenario be created.**

The surcharge for utilization was set at 20 percent of the Type II surcharge. The Type III captive was set at 50 percent of the Type II surcharge. All calculations are recommended to be in tons, rather than the current cubic yard measurement.

The feasibility of collecting a surcharge from materials recovery facilities and other utilization facilities was discussed. The challenge of passing through the surcharge was raised.

The proposal for a fund to offset the costs incurred for disposal from certain reuse centers was distributed and discussed. **A funding scenario including the \$1 million "Trash to Jobs" fund was requested.**

**Additional scenarios were requested with the goal of choosing the best scenario at the April 13, 2012, meeting.**

The SWFW was given a summary of the presentation given to the House Appropriations sub-committee on March 6, 2012, about the progress of the SWFW. A summary of the Solid Waste Policy and a description of various funding mechanisms that have been discussed were provided to the sub-committee.

Jamie Clover Adams, the DEQ Legislative Director, **will attend the next SWFW meeting** to discuss the feasibility of funding recycling and the Solid Waste Program with a transaction fee.

**Next Meeting** is April 13, 2012, 9:00 a.m. to Noon, Con Con A & B Conference Room, Atrium South, Constitution Hall, Lansing, Michigan.